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ACTION ARA-01

RELEASED IN PART  
B6, B1, 1.4(D)

INFO	LOG-00	ACDA-15	AID-01	AMAD-01	CIAE-00	COME-00	CTME-00
	C-01	DODE-00	EB-01	EXIM-06	E-01	FRB-03	HA-09
	H-01	INRE-00	INR-01	ITC-01	JUSE-00	LAB-04	L-03
	ADS-00	NSAE-00	NSCE-00	OMB-01	OPIC-08	PA-01	PM-01
	PRS-01	P-01	SNP-01	SP-01	SS-01	STR-20	TRSE-00
	T-01	USIE-00	DTC-01	/087W			

-----185F83 092151Z /38

P 092150Z MAR 92  
FM AMEMBASSY CARACAS  
TO SECSTATE WASHDC PRIORITY 8963  
INFO USCINCSO QUARRY HEIGHTS PM  
AMEMBASSY BOGOTA

C O N F I D E N T I A L SECTION 01 OF 02 CARACAS 02596

E.O. 12356: DECL:OADR  
TAGS: PGOV, MASS, ECON, ETRD, VE  
SUBJECT: A SOCIALIST PERSPECTIVE ON THE CRISIS/  
CAP SHOULD MAKE LARGER ECONOMIC CHANGES

1. C - ENTIRE TEXT.

2. SUMMARY: DURING A MARCH 6 MEETING WITH EMBASSY, A  
LEADING SOCIALIST POLITICIAN, [REDACTED]

B1 B6

[REDACTED] SAID THAT PRESIDENT PEREZ'  
MARCH 5 SPEECH HAD BOUGHT TIME. THE NEXT STAGE IN THE  
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CRISIS WOULD BE DETERMINED BY PERFORMANCE, NOT WORDS: THE  
NAMING OF A STRONG CABINET, AND MEASURES OF DIRECT  
ECONOMIC BENEFIT TO THE PEOPLE, WERE NEEDED TO DEFUSE  
POPULAR ANGER. [REDACTED] IDEAS FOR ECONOMIC MEASURES WERE  
MUCH MORE FAR-REACHING THAN ANYTHING ANNOUNCED BY CAP.  
DESPITE THE LEVEL OF POPULAR ANGER, [REDACTED] WAS OF THE  
OPINION THAT RADICAL LEFISTS WERE CURRENTLY UNABLE TO CALL  
UPON MASS SUPPORT FOR VIOLENCE, ALTHOUGH HE ADDED THAT  
THIS COULD CHANGE IN A MONTH OR TWO IF NOTHING APPEARS TO  
BE HAPPENING ON THE GOVERNMENT'S REFORM PLANS. END SUMMARY

B6

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3. POLCOUNS MET AFTERNOON OF MARCH 6 WITH [REDACTED]

B1, B6

4. SOME HIGHLIGHTS OF [REDACTED] REMARKS:

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-- PEREZ "WILL NOT RECOVER" POPULARITY, HE HAS GONE DOWN TOO FAR. THE BEST HE CAN HOPE FOR IS SURVIVAL.

B1, B6

-- THE MARCH 5 SPEECH WAS EFFECTIVE AT REDUCING TENSION, BUT THE EFFECT WILL LAST AT MOST "A MONTH OR TWO", UNLESS PEOPLE SEE REAL RESULTS.

-- TO MAINTAIN THE FAVORABLE TREND OF RECENT DAYS, CAP NEEDS TO: 1) NAME A REALLY SOLID CABINET OF PEOPLE WITH STATURE; MAS ITSELF WILL NOT PARTICIPATE; 2) MAKE SOME FURTHER ECONOMIC POLICY CHANGES TO DEAL WITH POPULAR MISERY.

-- (IN RESPONSE TO A QUESTION) CAP'S ECONOMIC MEASURES ANNOUNCED MARCH 5 ARE NOT ENOUGH. THE GOV SHOULD RESTART ECONOMIC GRWOTH BY LOWERING INTEREST RATES.

-- (IN RESPONSE TO FURTHER QUESTIONS) IF LOWERING INTEREST RATES MEANS THE NEED TO CONTROL EXCHANGES RATES TO KEEP

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INFLATION DOWN, OR TO PAY SUBSIDIES ON BASIC ITEMS LIKE  
FOOD, SO BE IT.

-- THERE IS "SUBSTANTIAL SYMPATHY" AMONG THE POORER  
MEMBERS [ ] FOR THE FEBRUARY 4 COUP ATTEMPT AND FOR LT. B1  
COL. CHAVEZ PERSONALLY. [ ] HAS HEARD THAT SYMPATHY, B6  
AND ANGER AGAINST THE GOV, IN SLUM BARRIO MEETINGS IN  
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RECENT DAYS. HE ATTENDED SUCH A MEETING [ ]

[ ]  
-- (IN RESPONSE TO A QUESTION ABOUT THE ROLES POTENTIALLY  
PLAYED BY SUCH RADICAL GROUPS AS TERCER CAMINO AND BANDERA  
ROJA) THEY HAVE "ALMOST NO ABILITY" TO GENERATE LARGE  
DEMONSTRATIONS ON THEIR OWN. THEY CAN, HOWEVER, SERVE AS  
A CATALYST WHEN THEY SUGGEST THINGS THE PEOPLE HAVE  
ALREADY HALF-DECIDED TO DO (SUCH AS POT BANGING AND  
LIGHT-SWITCHING PROTESTS).

-- RADICALS WILL, OF COURSE, TRY TO EXPLOIT WHATEVER  
INCIDENTS THEY CAN AND TURN THEM IN A VIOLENT DIRECTION.

-- HE DID NOT EXPECT MAJOR DEMONSTRATIONS ON MARCH 10 (A

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P 092150Z MAR 92

FM AMEMBASSY CARACAS

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TO SECSTATE WASHDC PRIORITY 8964

INFO USCINCSO QUARRY HEIGHTS PM

AMEMBASSY BOGOTA

C O N F I D E N T I A L SECTION 02 OF 02 CARACAS 02596

E.O. 12356: DECL:OADR

TAGS: PGOV, MASS, ECON, ETRD, VE

SUBJECT: A SOCIALIST PERSPECTIVE ON THE CRISIS/

DATE MANY HAVE POINTED TO), BEYOND A POT-BANGING PROTEST  
AFTER DARK.

5. POLCOUNS STRESSED THE USG'S ABSOLUTE OPPOSITION TO ANY  
FORM OF COUP OR BREAK IN THE CONSTITUTIONAL ORDER,  
WHATEVER THE JUSTIFICATION CLAIMED. [REDACTED] APPEARED TO  
BE IN NO DOUBT ON THE POINT, AND REPLIED [REDACTED] WAS IN  
FULL AGREEMENT. HAVING LIVED UNDER A MILITARY DICTATOR,

B6

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[REDACTED] HAVE NO WISH TO SEE ANOTHER. SKOL

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